

INSTRUCTIONS REGARDING QUARTERLY ESCROW PAYMENT REQUIREMENT

Who is required to make quarterly escrow payments?

Pursuant to Neb. Rev. Stat. § 69-2708(4), a tobacco product manufacturer will be required to make escrow payments in quarterly installments if:

- (a) it is the first year the tobacco product manufacturer is listed in the directory established pursuant to § 69-2706,
- (b) the tobacco product manufacturer has failed to make a complete escrow deposit for any calendar year as required by § 69-2703, or,
- (c) the tobacco product manufacturer has failed to pay any judgment, including any civil penalty ordered under §§ 69-2703 or 69-2709.

What is the amount of the quarterly deposit required?

For sales in 2006, the estimated escrow rate, as adjusted for inflation, is \$0.0214421 per stick sold in the preceding quarter.

What information needs to be submitted?

The manufacturer required to make quarterly escrow deposits shall submit written proof of the deposit, such as a copy of the bank deposit slip or bank account statement, to the Attorney General's Office, Attn: Lynne R. Fritz, Assistant Attorney General, P.O. Box 98920, Lincoln, NE 68509-8920.

When is proof of deposit due?

Proof of the quarterly deposit is due within ten (10) days after the quarterly deposit deadline.

When must I make my quarterly escrow deposit?

Payment is to be made on or before thirty (30) days from the last day of the calendar quarter. See below for 2006 deadlines.

First Quarter 2006: January 1 to March 31. Payment due April 30. Notice due May 10.

Second Quarter 2006: April 1 to June 30. Payment due July 30. Notice due August 9.

Third Quarter 2006: July 1 to September 30. Payment due October 30. Notice due November 9.

Fourth Quarter 2006: October 1 to December 31. Payment due January 30, 2007. Notice due February 9, 2007.

If you are required to make escrow deposits in quarterly installments, notices regarding payments will not be sent. If the deposit and notice are not received by the Attorney General's Office by the notice due date, the Attorney General's Office will advise the Nebraska Department of Revenue to post a 30-day notice of intent to remove the manufacturer and its brands from the directory.